

## **CHAPTER 8 FILE MAINTENANCE**

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## **Chapter 8**

### **File Maintenance**

Maintaining an efficient filing system is critical to the administration and monitoring of your program. A successful monitoring experience hinges on the quality with which the Recipient maintains its filing system and the ease of obtaining information from those files.

When establishing a file system, Recipients should consider using two categories to set up their files: grant files and project files.

- The grant files should contain documentation and information that relate to the overall funding and administration of your program.
- The project files should contain specific documentation and information pertaining to each NYS CDBG-funded project.

To assist recipients in the development and maintenance of a filing system, the Office of Community Renewal (OCR) has created filing labels that can be printed from the OCR website, select [Forms and Documents](#).

#### **I. GRANT FILES**

##### **A. Application**

- A copy of the NYS CDBG application as submitted to OCR
- Amendments and revisions to the application, if any
- Approval of Amendments
- Authorization to incur costs, if applicable
- Community Needs Description
- Related correspondence

##### **B. Contract**

- Award letter
- Special condition information
- Related correspondence
- Contract Documents
- Contract Amendments, if applicable
- Approval of Contract Amendments, if applicable

##### **C. Program Administration**

- Implementation Plan
- Program Design (i.e. housing rehabilitation and homeownership program guidelines, economic development program procedures, etc.)
- Professional Service Contracts including all documentation related to the procurement of the contract
- Subrecipient Agreements, if applicable
- Interagency Agreements
- Procurement policy and procedures
- Public Notices, Hearings, Minutes
- Status reports (semi-annual)
- Citizen Participation
- Civil Rights: Equal Opportunity Fair Housing MBE/WBE Section 3 ADA
- National Objectives

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### **File Maintenance**

- Environmental Review Record
- Grant Closeout
- Labor Standards
- Lead Based Paint
- Anti-Displacement and Relocation
- Conflict of Interest
- Real Property Management
- Monitoring and Related Correspondence
- Historic Preservation
- Blank Forms

#### **D. Financial Management**

- Resolution to appropriate funds
- Approved Budget and Amendments
- Record of Commitment of other funds
- Requests for Funds and Disbursement Form (for each request)
- Both NYS CDBG and non-NYS CDBG expenditure information (approvals, invoices, payrolls, etc.)
- Canceled checks, deposit slips, bank statements, etc.
- Certificate of Insurance coverage/bonding for Recipient
- Program Income and accounting reports
- Request for Release of Funds and authorization
- Copies of the Signatory and Depository Forms
- Financial Management Systems
- Chart of Accounts
- List of Source Documents to be Maintained
- Monthly Financial Status Reports (total budget, amount expended, unliquidated obligations, balance)
- Records of funds received and disbursed
- Approved Cost Allocation Plan
- Audit Reports
- Audit Correspondence or related materials
- Related Financial Correspondence
- Grant Closeout

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#### **II. PROJECT FILES**

##### **A. Housing Rehabilitation (for each unit)**

- Case File Checklist
- Application Form - Owner Occupied
  - Income Verification
  - Copy of Deed
  - Proof that taxes are current
  - Proof that Mortgage is current
  - Certification from applicant that information is correct
- Application Form - Rental Property
  - Income verification
  - Verification of Monthly Rent Amount
  - Copy of Deed
  - Proof that taxes are current
  - Proof that Mortgage is current
  - Certification from applicant that information is correct, and that monthly rent will be affordable to low- and moderate-income persons
- Grant Award Documentation
- Applicant Notified of Decision
- Grant Agreement between homeowner and recipient
- Contracts between homeowner and contractor
- Loan Agreement and all associated documentation, (if applicable)
- Any SHPO correspondence
- Inspection Form
- Inspection Log
- Work Write-ups/itemized costs/bid specifications
- List of all contractors notified of request for bids
- Bid Solicitation Package
  - Work write-ups/bid specifications
  - Non-Collusion
  - Bid submission format and form
  - Any additional information that should be included in package
- Proposals from Contractors
- Bid Tabulation Form
- Owner Review of Bids
- Verification of contractor's workman's compensation, liability insurance, etc.
- Contract between homeowner and contractor
- Lead-Based Paint (LBP) Notices
- LBP Evaluation results (e.g., assessments/inspections)
- LBP Homeowner Disclosure receipts
- LBP Hazard control work scopes & contracts
- LBP Work progress inspection reports documenting safe work practices
- LBP Clearances
- Flood Plain Insurance, (if applicable)
- Notice to Proceed
- Change Orders

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- Inspection Reports
- Records of payments and disbursement of funds
- Notice of Satisfactory completion
- Release of liens and warranty

#### **B. Housing Ownership/Homebuyer Programs**

- Homebuyer Program guidelines
- Public Notices/Meetings/Agenda, etc.

##### **For each homebuyer:**

- Completed loan application
- Credit report
- Copies of first lender's loan documents
- Income verification
- Preliminary title report or lot book report
- Appraisal
- Hazard insurance binder
- Flood plain insurance (if applicable)
- Work write-up/list of itemized costs
- Sweat equity forms, if applicable (record of labor, time and value)
- List of all contractors notified of request for bid
- All bids submitted and evidence of reasonableness of cost review
- Jurisdiction's Loan Documents:
  - Mortgage
  - Promissory note
  - Truth in lending disclosure statement
  - Notice of right to rescind transaction
  - Notice of default for all loans listed on title report
  - Loan agreement
  - Fair lending notice
  - Closing Disclosure Form (replaces HUD-1 effective 8/31/2015)
- Documentation of any special circumstances that were considered when approving a loan/grant that do not comply with program guidelines or grant agreement (outside target area, etc.)
- Inspection forms used to report deficiencies in unit
- Signed lead-based paint (LBP) notice
- LBP Evaluation results (e.g., assessments/inspections)
- LBP Homeowner Disclosure receipts
- LBP Hazard control work scopes & contracts
- LBP work progress inspection reports documenting safe work practices
- LBP Clearances
- Signed construction contract including:
  - Equal opportunity provisions
  - Liquidated damages clause
  - Cancellation clause for nonperformance
- Payment Schedule

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- Notice to all bidders
- Verification of contractor's license and eligibility
- Verification of contractor's worker's compensation and liability insurance
- Record of contractor progress payments and payment approvals signed by all parties to the contract
- Change orders for any work or costs different from that described in original specs and drawings signed by all parties to the contract
- Notice of completion
- Copy of building permit (with all signatures for approved work)

#### **If acquisition with rehabilitation:**

- Work write-up/itemized costs
- Sweat equity forms, if applicable (record of labor, time, and value)
- List of all contractors notified of rehabilitation bid opportunity
- All bids submitted and evidence of review of cost reasonableness
- Signed construction contract which includes:
  - Equal opportunity provisions
  - Liquidated damages clause
  - Cancellation clause for nonperformance
  - Payment schedule
- Notice to all bidders regarding award
- Verification of contractor's worker's compensation and liability insurance
- Verification of contractor's license and eligibility
- Record of contractor progress payments and payment approvals signed by all parties to the contract
- Change orders for any work or costs different from that described in original specs and drawings signed by all parties to the contract
- Notice of completion
- Copy of building permit (with all signatures for approved work)

#### **If acquisition with reconstruction:**

- Post reconstruction appraisal including land and at least one comparable sale
- Sale price (cite sources of data) of at least one comparable newly constructed home (including land) sold within the last 12 months within the jurisdiction (If there are no newly constructed homes in the jurisdiction, contact your NYS CDBG representative)
- Cost estimates for reconstruction and rehabilitation
- Evidence that the structure has been occupied during the preceding 12 months, or vacate order from the local building inspector
- Signed reconstruction forms
- State approval of reconstruction request

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#### **C. Economic Development and Microenterprise**

Grantees must ensure the following documents/files are maintained for their economic development and microenterprise projects:

1. Loan Agreement
2. Security Agreement
3. Note and/or Mortgage
4. Personal Guarantee (if applicable)
5. Hiring Procedures
6. Job Reporting Procedures
7. Employment Reports
8. Low- income business eligibility documentation
9. Evidence of other Funding Sources
10. Monitoring and Reporting (financial statements and job reporting)
11. Disbursement of Funds Schedule or Process
12. Underwriting Criteria (if not contained in the application)
13. Davis-Bacon Wage Rate Statements and Related Labor Documents, if applicable
14. Description of the business(es) including the # of employees, # of jobs to be created/retained, description of the jobs and qualifications.
15. Documentation showing evidence of recipient monitoring all involved parties (business, consultant, sub-recipient)

All closing documents including proposed note, loan agreement, loan security conditions, agreement to make jobs available to and/or hire low- and moderate-income persons should contain, at a minimum, the following information:

1. Job Creation/Retention
  - a. Specify the total number of jobs and number of jobs available to low- and moderate-income persons.
  - b. Low- and moderate- income job creation is a condition of the loan. Failure to create and/or the specified jobs is a default of the loan.
  - c. Document the procedures used to make jobs available to low-income persons.
  - d. For retained positions, document the procedures used to verify that jobs would be lost without assistance.
2. Loan Rate/Term
  - a. Must be specified and consistent with the application.
  - b. Disbursement plan or process (where feasible, two party checks should be issued to the business and the vendor)
3. Loan Security
  - a. Security must be specified and quantified
  - b. List security interests (i.e., specific equipment, building, land, etc.)
  - c. Security agreement must be referenced
4. References

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- a. OCR
- b. Grant Agreement between OCR and Recipient
- c. State Regulations
- d. Definition of the “project”
5. Reporting Requirements
  - a. Job reporting
  - b. Low-income business reporting
  - c. Financial reporting
6. Other Requirements
  - a. Insurance
  - b. Access to books, records, etc.
  - c. Certification, assurances, representations, warranties
  - d. Payment of taxes
  - e. Maintenance of records

#### **D. Public Facilities/Public Services**

- Description and design of project
- Construction Documents
- For direct benefit projects, individual files for each homeowner must be kept. Refer to the guidance on file maintenance for housing rehabilitation projects.
- Public Notices/meeting notes/minutes/attendance record



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### **III. REGULATORY COMPLIANCE**

Some of the file documentation is critical to establishing regulatory compliance and is important to be maintained for monitoring.

#### **A. Procurement**

Recipients must maintain records regarding any procurement that will be funded by NYS CDBG. Regardless of the method of procurement used, Recipients must develop and retain documentation to demonstrate their reasons for choosing the method of procurement, the basis for selection or rejection of consultants, consultant qualifications, contract specifications, and scope of work. Recipients must also document the procurement process used and its consistency with the Recipient's overall OCR-approved procurement policy. This documentation should include copies of the RFP, legal advertisements, affidavits from newspapers verifying publication, and other related selection materials. NYS CDBG procurement files must also document the basis for the contract or purchase price.

When Recipients receive only one response to a competitive solicitation, the procurement process may be reviewed by OCR to determine whether it was unduly restrictive or tailored to a contractor or supplier. The burden of proof will be on the local government to demonstrate that it made reasonable efforts to assure maximum open and free competition and that its procurement procedures did not have the effect of restricting or eliminating competition.

Financial information in support of any contract payments must also be maintained. This documentation includes vouchers, invoices, contracts, checks, budget transfer memoranda, and other transaction documentation. The Recipient must also be able to document that vouchers and invoices were reviewed to verify financial and contractual compliance before payment was made.

#### **Procurement Files:**

- Documentation of price quotes received for items or services procured with small purchase method, with copy of scope of work
- Request for Proposals (RFPs) and/or Invitations for Bids (IFBs)
- Public notices of RFPs or IFBs
- Mailing list of RFPs or IFB recipients
- Qualification statements, proposals and/or bids received
- RFP ratings and documentation of selection process
- Documentation of selection for IFB if lowest bidder not selected
- Sole source justification and approval letters, if applicable
- Cost estimates/data used to determine cost reasonableness, with copy of scope of work
- Verification of contractor eligibility
- Signed contracts and all approved amendments

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#### **B. Citizen Participation**

Applicants must meet the citizen participation requirements at 24 CFR 570.486 and NYS Homes and Community Renewal's Citizen Participation Plan as amended, which require Applicants to follow a citizen participation plan. Prior to submitting a CDBG application, Applicants must issue a public hearing notice and hold one public hearing (one in each jurisdiction of a joint application) allowing for citizen feedback on the community and economic development needs of the applicant community and any proposed project(s).

Citizen Participation Compliance Materials must include the following:

- Municipal resolution(s) authorizing public hearing
- Public hearing notice
- Affidavit of publication of public hearing notice
- List of attendees
- Public hearing minutes
- Evidence of 72-hour conspicuous public posting

Following an award of NYS CDBG funds, the Recipient must hold a second (performance) public hearing to report project accomplishments, following the same guidelines provided above.

When issuing the notice and holding the public hearing, please note the following:

- All hearings must also be conducted in accordance with the New York State Open Meetings Law
- The municipality must provide a minimum seven (7) day period between the publication of the hearing notice and the hearing itself. Note that the date of publication is day "zero."
- The hearing notice must be conspicuously posted in one or more public locations at least seventy-two (72) hours prior to the actual hearing. This may also be accomplished by posting to the municipal website
- The hearing must be conducted by a quorum of the legislative body of the municipality only, not by a sub recipient, department or arm of the applicant
- The notice for the hearing must specifically mention the municipality's intent to apply for NYS CDBG funds and the current program year
- The notice must identify all activities that the Applicant may be applying for during current program year, which may include Housing, Public Infrastructure/Facilities, Economic Development, or Community Planning
- Public hearings must be held in a location accessible to persons with disabilities and/or provide reasonable accommodations to allow all interested parties to participate
- The municipal resolution authorizing the public hearing, the hearing notice, affidavit of publication, list of attendees, hearing minutes, and evidence of conspicuous public posting must be included as an attachment to the application
- A copy of the application must be available for public inspection at the municipal office(s).

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- Recent legislation requires documents that are going to be discussed at open meetings to be made available on request and to be posted on the government's website at least 24 hours prior to the meeting, giving the public access to these important documents in advance.

#### **C. Civil Rights**

Recipients must maintain sufficient records to demonstrate that their local NYS CDBG efforts are being carried out in accordance with applicable civil rights and equal opportunity laws and their certifications.

The following information and records should be kept in your NYS CDBG files, specifically a Civil Rights File: (Refer to Chapter 5, General Provisions)

- Records demonstrating a good faith effort to comply with Federal Civil Rights requirements;
- Data on the extent to which racial and ethnic groups, gender and disability status, and single-headed households have applied for, participated in or benefited from, any program or activity funded in whole or in part with NYS CDBG funds. For area wide activities, documentation on the area and the services being provided to the area and the race and ethnicity of the service area;
- Data indicating the race and ethnicity of households and the disability status and gender of single heads of households displaced as a result of NYS CDBG-funded activities, together with the address and census tract of the housing units to which each displaced household relocated;
- Documentation of efforts to make NYS CDBG program services and activities accessible to blind, deaf, and other physically and mentally handicapped persons;
- Documentation regarding steps the Recipient has taken to promote fair housing; analysis of impediments and the actions taken to remedy the impediment;
- Efforts to ensure minority participation in the program (e.g., documentation of administrative methods designed to ensure nondiscrimination in project activities and in site selection criteria designed to benefit minorities, as well as actions taken to overcome the effects of past discrimination);
- Documentation of compliance with handicap accessibility requirements in housing construction and rehabilitation activities (Fair Housing Act, Section 504 of the Rehabilitation Act; and the Americans with Disabilities Act);
- Data on employment funded in each of the Recipient's operating units carrying out an activity funded in whole or in part with NYS CDBG funds. The data must be maintained in the categories prescribed on the Equal Employment Opportunity form (EEO-4). Efforts to employ minorities and/or women must be documented;
- Documentation of any actions undertaken to assure equal employment opportunities to all persons regardless of race, color, national origin, sex or handicap;

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- Data that records specific efforts relative to the hiring and training of low- and moderate-income persons and the use of local businesses in meeting the requirements of Section 3 of the Housing and Urban Development Act of 1968;
- Documentation of the following information regarding Recipient employment practices and equal opportunity:
  - personnel policies;
  - interview and hiring records (including race, gender and handicap);
  - employee records (training, promotion, salary levels);
  - data on overall employment of women and minorities;
  - employment data that indicates staff composition by race, sex, handicap status and national origin.
- Data indicating the racial/ethnic character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with NYS CDBG funds; data indicating which of those entities are women's business enterprises as defined in Executive Order 121318, the amount of the contract or subcontract, and documentation of Recipient's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services;
- Data that records special efforts to identify, solicit bids from, and provides contracting opportunities to minority and women-owned businesses and investment opportunities to minority persons such as:
  - maintaining copies of notices of bid solicitations and Requests for Proposals;
  - keeping copies of Requests for Proposals and bid packages for individual projects in the appropriate NYS CDBG Project File;
  - retaining data on the dollar amount of contract awards to W/MBE firms;
  - including equal opportunity clauses in all bid specifications and contracts;
  - providing EEO notices for contractors to post in the workplace;
  - including W/MBE firms in bid solicitation and Request for Proposal lists;
  - to the extent feasible, making employment and business opportunities available to project area residents;
  - documentation of the affirmative actions the local government has taken to overcome the effects of prior discrimination as determined through a formal compliance review or court proceeding, where the Recipient has previously discriminated against persons on the grounds of race, color, national origin or sex in administering a program or activity in whole, or in part, with NYS CDBG funds.

#### **D. Primary and National Objectives**

Recipients are required to document the benefit to low- and moderate-income families identified in your NYS CDBG application. Without accurate and comprehensive documentation of beneficiaries, projects, project costs, and location of activities, a Recipient cannot establish that the funds provided by the NYS CDBG program were utilized according to the program regulations.

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All original survey documentation must be retained by the Recipient and must be available for review and verification. OCR will monitor your project records and review your documentation regarding benefit to low- and moderate-income families. If the documentation is determined to be inadequate or fails to meet the NYS CDBG requirements, the community can be required to reimburse any NYS CDBG funds spent on a project activity and withdraw the award.

#### **1. Low- and Moderate-Income Benefit**

##### **Area Benefit**

- Boundaries of the service area and the basis for determining the boundaries;
- Income characteristics of residents in the service area;
- Total project costs and the costs paid by NYS CDBG (relative to total project costs); and
- The percentage of low- and moderate-income persons in the service area and the data used for determining that percentage.

##### **Limited Clientele**

- Documentation showing that the activity is designed to be used exclusively by a segment of the population presumed by HUD to be low- and moderate-income (e.g. abused children, elderly persons, etc.); or
- Documentation that demonstrates that at least 51 percent of the clientele of a facility or service are persons whose family income does not exceed the low- and moderate-income limit; or
- Documentation describing how the nature and the location of the activity establishes that it will be used predominantly by low- and moderate-income persons (e.g. day care center to serve residents of a public housing complex); or Data showing the size and income of the family receiving the benefit; or
- Data showing that barriers to mobility or accessibility have been removed and how the barrier removal was restricted to the extent feasible to one of the particular cases authorized in 24 CFR 570.208(a)(2)(ii);
- Documentation identifying the microenterprise assistance activities undertaken and the low- and moderate-income status of the beneficiaries;
- Documentation showing that the activity qualifies under the limited circumstances regarding job services where less than 51% of the persons benefiting are low- and moderate-income persons (570.208(A)(2)(IV).

##### **Housing**

- Total cost of project (NYS CDBG and non-NYS CDBG);
- The local definition of “affordable to low- and moderate-income household”; and
- The median, low, and moderate incomes for the area.

##### **For rental units:**

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- A copy of the written agreement with each landlord/sponsor indicating the total number of units in each multifamily structure before assistance and the number to be occupied by low- and moderate-income persons after assistance;
- For each low- and moderate-income unit, the household size and income and the ethnicity of those occupying the unit;
- The rents charged before and after assistance;
- Evidence of affordability of units occupied by low- and moderate-income households; and/or
- Evidence documenting project qualifies under exception criteria (e.g., development of non-elderly, multi-unit rental housing).

#### **For acquisition only:**

- Evidence of commitments ensuring that the national objectives will be met upon completion of the structure; or
- If less than 51 % of the units in a structure will be occupied by low- and moderate-income households, documentation that the activity qualifies under the special conditions at 570.208(a)(3)(i).

#### **For homebuyer assistance:**

- Identification of the eligible activity [570.201(e), 570.201(n) or 570.204] and evidence that the activity meets the eligibility criteria for that activity; and
- Documentation identifying the size and income of the household.

#### **Job Creation**

- When at least 51% of the jobs will be available to low- and moderate-income persons, a copy of a written agreement containing:
  - A commitment by the business that it will make at least 51 % of the jobs available to low- and moderate-income persons and will provide training for any of those jobs requiring special skills or education;
  - A listing by job title of the permanent jobs to be created indicating which jobs will be available to low- and moderate-income persons, which jobs require special skills or education, and which jobs are part-time, if any;
  - A description of actions to be taken by the Recipient and business to ensure that low- and moderate-income persons receive first consideration for those jobs;
- A listing by job title of the permanent jobs filled, and which of those are available to low- and moderate-income persons, and a description of how first consideration was given to such persons for those jobs. The description shall include what hiring process was used; which low- and moderate-income persons were interviewed for a particular job; and which low- and moderate-income persons were hired;
- When at least 51 % of the jobs will be held by low- and moderate-income persons, a written agreement containing:

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- A commitment by the business that at least 51% of the jobs, on a full-time equivalent basis, will be held by low- and moderate-income persons;
- A listing by job title of the permanent jobs to be created, identifying which are part-time, if any;
- A listing by job title of the permanent jobs filled and which jobs were initially held by low- and moderate-income persons;
- For each low- and moderate-income person hired, the size and annual income of the person's family prior to the person being hired for the job.

#### **Job Retention**

- Evidence that in the absence of NYS CDBG assistance jobs would be lost;
- For each business assisted, a listing by job title of permanent jobs retained, indicating which of those jobs are part-time and (where it is known) which are held by low- and moderate-income persons at the time the NYS CDBG assistance is provided. Where applicable, identification of any of the retained jobs (other than those known to be held by low- and moderate-income persons) which are projected to become available to low- and moderate-income persons through job turnover within two years of the time NYS CDBG assistance is provided;
- For each retained job claimed to be held by a low- and moderate-income person, information on the size and annual income of the person's family;
- For jobs claimed to be available to low- and moderate-income persons based on job turnover, a description covering the items required for "available to" jobs under job creation;
- Where jobs were claimed to be available to low- and moderate-income persons through turnover, a listing of each job which has turned over to date, indicating which of those jobs were either taken by, or available to, low- and moderate-income persons. For jobs made available, a description of how first consideration was given to such persons for those jobs shall also be included in the record;
- If the person for whom a job was either filled by or made available to a low- and moderate-income person based upon the census tract where the person resides or in which the business is located, the Recipient, in lieu of maintaining records showing the person's family size and income, may substitute records showing either the person's address at the time the determination of income status was made or the address of the business providing the job, as applicable, the census tract in which that address was located, the percent of persons residing in the tract who either are in poverty or who are low- and moderate-income, as applicable, the data source used for determining the percentage, and a description of the pervasive poverty and general distress in the census tract in sufficient detail to demonstrate how the census tract met the criteria for national objectives;
- Specifications of jobs/positions expected to be created/retained, and made available to low- and moderate-income persons (including skills and training requirements);

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- Number of full-time equivalent jobs actually created or retained by NYS CDBG assisted businesses;
- Income, address and household size of persons retaining their jobs (if low- and moderate-income persons);
- Businesses assisted and job locations;
- Costs spent on project to create/retain jobs; and
- Time period when jobs must be created/retained.

#### **Low- and Moderate-Income Business Assistance**

The following must be retained in the project case files to demonstrate compliance with the low-income business requirements:

- Evidence of low- and moderate-income status including tax returns, bank statements, household size, and low- and moderate-income rates for the area.

#### **Planning Only**

- Census or other survey data showing that at least 51% of persons who would benefit from the plan are low- and moderate-income persons.

## **2. Slum/Blight**

#### **Area Basis**

- Boundaries of the area;
- Description of the conditions which qualify the area for its designation;
- Evidence that residential buildings rehabilitated were substandard before assistance; substandard deficiencies were eliminated before undertaking other work; properties meet minimum standards of building quality.

#### **Spot Basis**

- The local definition of “substandard”;
- A pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; and
- For each structure, details and scope of NYS CDBG-assisted rehabilitation;
- For activities that eliminate the specific conditions of blight or physical decay that are not located in a slum or blighted area:
- Details and scope of the NYS CDBG-assisted rehabilitation by structure;
  - A description of the specific condition of blight or physical decay treated; and/or
  - A description of the specific conditions detrimental to public health and safety.
- Where assisted project involves the acquisition of real property, the planned use of the property after acquisition.

#### **Planning Only**

- Plans are for a slum or blighted area;
- Certification that all elements of the plan are necessary for and related to the activity which, if funded, would meet one of the other criteria of elimination of slums or blight.



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#### 3. Community Development Needs Having a Particular Urgency

- Documentation identifying the nature and degree of urgency;
- Proof that emergency poses serious and immediate threat to the health or welfare of the community;
- Time when emergency arose (origin within 18 months); and
- Evidence confirming the lack of other financial sources.

#### E. Environmental Review Records

As part of the environmental review process, Recipients are required to develop an Environmental Review Record (ERR). The ERR serves as the central file for all documentation concerning the environmental review and clearance of proposed activities. It should include your reviews and checklists, backup documentation, public notices and comments, and your project clearance from OCR. The ERR file should contain all environmental related reviews and documentation. It is very important for Recipients to realize that completing the ERR is the first step in the project clearance process.

##### 1. Exempt

**In the event the entire project is “exempt”, the ERR file must contain:**

- Designation of Environmental Certifying Officer;
- Finding of Exemption, (if applicable);
- Information documenting compliance with SEQR;
- Information documenting compliance with the historic preservation process (SHPO); and
- Any other accompanying documentation and applicable correspondence to and from OCR.

##### 2. Categorically Excluded A

**In the event the project activities can be “categorically excluded” and no activities are affected by federal statutes or executive orders, the ERR file must contain:**

- Designation of Environmental Certifying Officer;
- Statutory Checklist;
- Finding of Exemption for All Project Activities;
- Information documenting compliance with SEQR;
- Information documenting compliance with the historic preservation process; (SHPO); and
- Any other accompanying documentation and applicable correspondence to and from OCR.

##### 3. Categorically Excluded B

**In the event the project activities are “categorically excluded” and some activities are affected by federal statutes and executive orders, the ERR must contain:**

- Designation of Environmental Certifying Officer;

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### File Maintenance

- Statutory Checklist;
- Information documenting compliance with SEQR;
- Information documenting compliance with the historic preservation process (SHPO);
- Public Notice (if applicable);
- Notice of Explanation (if applicable);
- Finding of Categorical Exclusion;
- Notice of Intent to Request Release of Funds (NOI/RROF); Proof of Publication of NOI/RROF;
- Request for Release of Funds and Certification (RROF);
- NOI/RROF and FONSI/NOI/RROF Distribution List;
- All accompanying documentation, evidence of publication of notices, and comments received, with your responses; and
- Copies of applicable correspondence to and from OCR, such as the letter of authorization to incur administrative costs.

#### 4. Not Exempt/Not Cat Ex A or B

**In the event the project activities are “other” and/or an Environmental Assessment must be prepared, the following must be included in the ERR file:**

- Designation of Environmental Certifying Officer;
- Statutory Checklist;
- Information documenting compliance with SEQR;
- Information documenting compliance with the historic preservation process (SHPO);
- Notice of Explanation (if applicable);
- Consolidated Environmental Assessment (EA) Form;
- Environmental Impact Statement (if applicable);
- Finding of No Significant Impact or Significant Impact and Notice of Intent to Request Release of Funds (FOSI/FONSI/NOI/RROF);
- Request for Release of Funds (RROF) and Certification;
- NOI/RROF and FOSI/FONSI/NOI/RROF Distribution List;
- Proof of publication for each public notice;
- All accompanying documentation, evidence of notices of publication, and any comments received; and
- Copies of applicable correspondence to and from OCR, such as a letter of authorization to incur administrative costs.

#### F. Labor Standards

Recipients are responsible for the creation, maintenance and preservation of labor standards enforcement files for each project. The files shall be current, maintained in a consistent manner, and secured for the life of the active monitoring of the project and preserved for at least three (3) years following the completion of the project and the final disposition of any compliance issues.

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For each construction contract, a labor standards file should be maintained which includes the following items:

- Request for Wage Determination Form, copies of all applicable wage rate decisions and related correspondence;
- Evidence that labor standards provisions were included in bid packages and contracts;
- Evidence of contractor eligibility (federal and state debarment, suspended or ineligible contractors list);
- Copy of preconstruction conference minutes;
- Contract Reporting Form Exhibit 10-5;
- Evidence that all required notices have been posted at the construction site (such as photographs taken on site);
- Contractor's weekly payroll reports or certified payroll records (**numbered sequentially and the final one marked "Final"**);
- Evidence that the weekly payroll reports have been verified as correct;
- Records of employee interviews;
- Evidence of any violations with supporting documentation;
- Evidence of the resolution of any violations;
- Copies of lien releases;
- Completed volunteer certification forms, if applicable;
- Wage transcript schedule;
- Information pertaining to additional classifications and wage rates;
- General correspondence and transmittals;
- Contract payment requests, vouchers, copies of checks;
- Escrow account information (the agreement and schedule);
- Construction progress reports;
- Apprentice and trainee registration forms;
- Primary project information including, but not limited to:
  - contract award clearance;
  - confirmation of contract award date;
  - start of construction notice;
  - completion notice;
  - final payment clearance; and
  - confirmation of final payment.

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### **File Maintenance**

#### **G. Lead Based Paint**

Recipients must maintain files containing evidence of notifications, evaluation, disclosure, inspections, testing and abatements, work practices, and clearance for at least three years.

#### **H. Anti-displacement and Relocation**

A separate file must be maintained for each transaction of property acquired and contain all the necessary documentation to ensure compliance with federal regulations. The following information shall be maintained for at least three years after each owner of the property and each person displaced from the property have received the final payment to which they are entitled.

##### **1. Acquisition**

These requirements apply to acquisition activities under the Uniform Act.

Documentation must include the following:

- Evidence owner was informed on timely basis about acquisition and his or her rights, including receipt of booklet, "When a Public Agency Acquires Your Property";
- Copy of any waivers signed by property owners of their rights to just compensation and/or appraisals;
- Copy of each appraisal report, including review appraiser's report, and evidence that owner was invited to accompany each appraiser on appraiser's inspection of property;
- Copy of written purchase offer and summary statement of the basis for the determination of just compensation and date of delivery to owner;
- Copy of purchase contract and document(s) conveying property;
- Copy of settlement statement and evidence that owner received net proceeds due from sale; and
- Copy of any appeal or complaint filed and Recipient response.

##### **2. Relocation and Displacement**

These requirements apply to Uniform Act and Non-Uniform Act relocation activities.

Documentation must include the following:

- Identification of person, displacement property, racial/ethnic group classification, age and sex of all members of household, monthly rent and utility costs, type of enterprise, relocation needs and preferences;
- Evidence person received timely written notice informing him or her of eligibility for relocation assistance and related information;
- Evidence and dates of personal contacts; a description of services provided;

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### **File Maintenance**

- Identification of referrals to replacement properties; date of referral, sale price or rent/utility costs; date of availability; reason(s) for declining referral;
- Replacement dwelling inspection report; date of inspection;
- Copy of each approved claim form-related documentation; evidence the person received payment;
- Copy of any appeal or complaint filed and Recipient response.

#### **I. Conflict of Interest**

The Recipient must maintain all records concerning conflicts of interest, including but not limited to requests for exception, opinion of counsel; evidence of public disclosure; and OCR decision regarding the request for exception.

#### **J. Real Property Management**

The Recipient is responsible for the creation, maintenance and preservation of real property files. The files must be current, maintained in a consistent manner, and secured for the life of the active monitoring of the project and preserved for at least five (5) years following closeout of the grant and resolution of any compliance issues.

Records for property acquired in whole or in part with NYS CDBG funds must include the following information:

- a description of the property;
- serial number or other identification number;
- source of property;
- title holder of the property;
- the acquisition date;
- the cost of the property;
- the percent of federal participation in the cost of the property;
- the location of the property;
- the use of the property; and
- the condition of the property.

#### **K. Monitoring**

Recipients are responsible for maintaining files that contain correspondence, checklists etc. related to NYS CDBG monitoring.

Recipients are responsible for maintaining files that contain evidence that of Subrecipient monitoring. Evidence should include any correspondence, checklists and reports related to the monitoring.

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### **File Maintenance**

#### **L. Forms**

Recipients should maintain a Forms File that contains copies of all the forms needed to implement the program.

#### **IV. FILE RETENTION**

CDBG regulations at 24 CFR 570.490(d) require states and their local recipients to retain records for whichever may be longer:

- 3 years from the time of closeout of HUD's grant to the State; or
- The period provided in the CDBG regulations at 24 CFR 570.487 (other applicable laws and program requirements) and 24 CFR 570.488 (displacement, relocation, etc.); or
- 5 years after the completion of a CDBG funded project pursuant to 42 USC 12707(a)(4), whichever may be longer.

Records involving acquisition and improvement of real property must be kept for 5 years after closeout of the local government's grant, as stated in 570.489(j)(2).

Records that are the subject of investigation, audit or review should be retained until the reviews are completed in order to allow HUD to complete its oversight functions. Recipients must permit representatives of HUD, the Inspector General, and the Government Accountability Office to have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.

[See HUD Notice CPD-14-02 for additional information on record retention](#)

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### **File Maintenance**

#### **V. EXHIBITS**

8-1 First Public Hearing Template

8-2 Second Public Hearing Template

8-3 File Maintenance Labels

- Housing
- Facilities/Infrastructure
- Economic Development/Microenterprise

## Chapter 8 File Maintenance

### EXHIBIT 8-1

#### First Public Hearing Notice Template

##### LEGAL NOTICE

Notice of Public Hearing

Name of Community

Name of Community will hold a public hearing on Date and Time of Public Hearing (Hearing should be held at a time accessible and convenient to residents) at Location of Hearing (Hearing should be held in a publicly accessible location) for the purpose of hearing public comments on the Name of Community's community development needs, and to discuss the possible submission of one or more Community Development Block Grant (CDBG) applications for the Current Year program year. The CDBG program is administered by the New York State Office of Community Renewal (OCR), and will make available to eligible local governments approximately Provide program year funding amount listed in current NOFA for the Current Program Year program year for housing, economic development, public facilities, public infrastructure, and planning activities, with the principal purpose of benefitting low/moderate income persons. Name of Community is applying for total amount of CDBG funding request in CDBG funds to description of the proposed activities. The hearing will provide further information about the CDBG program and will allow for citizen participation in the development of any proposed grant applications and/or to provide technical assistance to develop alternate proposals. Comments on the CDBG program or proposed project(s) will be received at this time. The hearing is being conducted pursuant to Section 570.486, Subpart I of the CFR and in compliance with the requirements of the Housing and Community Development Act of 1974, as amended.

The location of hearing is/is not accessible to persons with disabilities. If special accommodations are needed for persons with disabilities, those with hearing impairments, or those in need of translation from English, those individuals should contact list contact name at list contact information, at least one week in advance of the hearing date to allow for necessary arrangements. Written comments may also be submitted to list contact name and contact information until last date to receive comments (at least 48 hours after hearing date and time).



## Chapter 8 File Maintenance

### EXHIBIT 8-2

#### Second Public Hearing Notice Template

##### LEGAL NOTICE

##### Notice of Public Hearing

<Name of Community>

<Name of Community> will hold a public hearing on <Date and Time of Public Hearing (Hearing should be held at a time accessible and convenient to residents)> at <Location of Hearing (Hearing should be held in a publicly accessible location)> for the purpose of hearing public comments on the <Name of Community's> current Community Development Block Grant (CDBG) project: <Provide CDBG project number, name, and funding amount.> The CDBG program is administered by the New York State Office of Community Renewal (OCR), and provides resources to eligible local governments for housing, economic development, public facilities, public infrastructure, and planning activities, with the principal purpose of benefitting low/moderate income persons. The hearing will provide further information about the progress of the ongoing CDBG project. Comments related to the effectiveness of administration of the CDBG project will also be received at this time. The hearing is being conducted pursuant to Section 570.486, Subpart I of the CFR and in compliance with the requirements of the Housing and Community Development Act of 1974, as amended.

The <location of hearing> is</is not> accessible to persons with disabilities. If special accommodations are needed for persons with disabilities, those with hearing impairments, or those in need of translation from English, those individuals should contact <list contact name at list contact information,> at least one week in advance of the hearing date to allow for necessary arrangements. Written comments may also be submitted to <list contact name and contact information until last date to receive comments.>

The second public hearing should be held based on the following schedule:

1. All public infrastructure and facility projects  
When at least 65% of NYS CDBG funds are expended
2. All housing related activities  
When at least 80% of NYS CDBG funds are expended
3. Community Planning  
When all funds have been expended and the plan is ready to be submitted
4. For all economic development related activities (ED, SB, ME)  
When at least 75% of NYS CDBG funds are expended and at least 75% of National Objectives have been met

## **Chapter 8 File Maintenance**

### **EXHIBIT 8-3**

#### **File Maintenance Labels**

##### **Housing**

Housing Rehabilitation File Labels:

<https://hcr.ny.gov/system/files/documents/2018/10/hrlabels.pdf>

Homeownership File Labels:

<https://hcr.ny.gov/system/files/documents/2018/10/holabels.pdf>

##### **Facilities/Infrastructure**

Public Facilities/Infrastructure File Labels:

<https://hcr.ny.gov/system/files/documents/2018/10/pflabels.pdf>

##### **Economic Development/Microenterprise**

Economic Development File Labels:

<https://hcr.ny.gov/system/files/documents/2018/10/edlabels.pdf>

Microenterprise File Labels:

<https://hcr.ny.gov/system/files/documents/2018/10/edlabels.pdf>